

CALIFORNIA ENERGY COMMISSION

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**Addendum 4****May 16, 2011****PON-10-604****GRANT SOLICITATION APPLICATION PACKAGE****Buy Down Incentives for Natural Gas and Propane Vehicles**

The purpose of this addendum is to add an additional bullet that separates propane and gas vehicles listed in Section 8 of the Application Manual, to require separate Buy-Down Incentive Reservation Forms to be submitted for incentives reserved in each maximum funding categories, and to allow a dealer or distributor to be designated by more than one OEM to reserve buy-down incentives listed in section 10 of the Application Manual.

This addendum also modifies Attachment A, Buy-Down Incentive Reservation Form; Attachment C, Buy-Down Incentive Reservation Confirmation Form; and Attachment D, Buy-Down Incentive Payment Claim Form. The Reservation Category section in attachments A and C is being modified to separate the natural gas and propane vehicle section into separate categories. The Payment Claim Information section of Attachment D is being modified to include a box for gross vehicle weight and to remove the words if applicable located in the engine family section. Attachment D is also being modified to relocate the PCA number to the bottom of the form.

This addendum supersedes Addendum 2.

8. Funding Information

The maximum funding available for all incentives in this PON is \$14,540,000. The Energy Commission reserves the right to increase funding in this PON up to \$30,000,000. Incentive reservations are available on a first-come, first-served basis.

The maximum funding available through this PON by vehicle fuel type and weight is as follows, although the Energy Commission may redirect funds between categories as demand requires:

- \$10,190,000 for natural gas vehicles, excluding school and transit buses
- \$2,350,000 for propane vehicles, excluding school and transit buses
- \$2,000,000 for propane school buses

The tables below show the available incentive amounts by vehicle type and gross vehicle weight (GVW).

Natural Gas and Propane Vehicles

GVW (lbs)	Incentive Amounts	
	Natural Gas	Propane
Up to 8,500	\$3,000	\$3,000
8,501 – 14,000	\$8,000	\$6,000
14,001 – 26,000	\$20,000	\$10,000
26,001 & greater	\$32,000	N/A

Propane School Buses

GVW (lbs)	Incentive Amounts
Up to 14,000	\$15,000
Greater than 14,000	\$20,000

Applicants may apply for more than one incentive using a single reservation form (For more information, please refer to **Application Process** below). The maximum incentive amount that may be requested by any one OEM with a single reservation is:

- Up to \$575,000 per reservation for natural gas ~~and propane~~ vehicles up to 26,000 lbs GVW
- Up to \$575,000 per reservation for propane vehicles up to 26,000 lbs GVW.
- Up to \$1,300,000 per reservation for natural gas vehicles greater than 26,000 lbs GVW
- Up to \$500,000 per reservation for propane school buses.

For OEMs that designate a vehicle dealer/distributor to apply as their agent for reservations, the sum of the reservation amounts requested by the OEM-designated vehicle dealers or distributors cannot exceed the maximum incentive amount that can be requested by a single OEM.

The Energy Commission will close this PON on April 1, 2013, or when all the available funds have been exhausted, whichever occurs first.

10. Application Process

The incentives available through this PON will be provided on a first-come, first-served basis using the reservation and payment process described below. The Energy Commission's strong preference is for original equipment manufacturers (OEM) to apply for incentive reservations and have the OEMs either coordinate with their dealer and

distributor networks, or designate their dealers/distributors to reserve incentives on behalf of the OEM. The OEMs and OEM-designated dealers and distributors shall ensure that incentives are included at the point of sale as part of the negotiated price for the vehicle and that all documentation is properly prepared and submitted to the Energy Commission. In addition, the Energy Commission's vehicle buy-down incentive amount shall be clearly stated on the sales documents.

To apply for an incentive, applicants must first complete the **Buy-Down Incentive Reservation Form** shown in Attachment A. One (1) original and one (1) copy of the completed and signed form must be mailed or hand delivered to:

Debbie Jones
California Energy Commission
Fuels and Transportation Division
Attn: Buy-Down Incentives PON-10-604
1516 Ninth Street, MS-44
Sacramento, CA 95814

OEMs, or their designated dealers/~~and~~ distributors, may submit a single Buy-Down Incentive Reservation Form per OEM for more than one incentive for a given eligible vehicle type and/or incentives for multiple eligible vehicle types, up to the maximum amounts specified under **Funding Information** above. These incentive reservations must reflect the number of eligible vehicles that any one applicant can reasonably expect to sell within 120 days. OEMs, or their designated dealers/distributors, should submit a separate Buy-Down Incentive Reservation Form for each maximum funding category (see Section 8 Funding Information, this Addendum). However, an Applicant may not submit more than one Buy-Down Incentive Reservation Form per OEM for vehicles in the same maximum funding category.

Applicants also must complete a **Payee Data Record Form** shown in Attachment B and submit it along with the Buy-Down Incentive Reservation Form. To complete the Payee Data Record Form go to <http://www.energy.ca.gov/contracts/PON-10-604/>. Submittal of the Buy-Down Incentive Reservation Form constitutes acceptance of and agreement to the Terms and Conditions of this PON (See Attachment E).

If the incentive reservation request is approved at an Energy Commission business meeting, the applicant will receive a **Buy-Down Incentive Reservation Confirmation** from the Energy Commission (See Attachment C). This form will show the amount of incentives that will be reserved in the applicant's name, an incentive reservation number, and the reservation expiration date. The reservation will expire 120 days from the date of approval by the Energy Commission or when all incentives in the reservation have been claimed and approved for payment~~are paid~~, whichever occurs first. Applicants~~OEMs~~ may have only one active Buy-down Incentive Reservation per maximum funding category at any given time and are precluded from submitting an additional Buy-Down Incentive Reservation Form if they have an active reservation in that maximum funding category. An OEM-designated dealer/distributor may have one

active Buy-Down Incentive Reservation for each OEM that designates it to apply on its behalf, and should submit separate Buy-Down Incentive Reservation Forms for each maximum funding category for which it is designated to apply. The Energy Commission will maintain all necessary records and track the status of all incentive reservations.

To receive payment, the applicant must complete the **Buy-Down Incentive Payment Claim Form** shown in Attachment D for each eligible vehicle sold and submit it to the Energy Commission with the following documentation:

- Copy of sales documents that show the vehicle identification number; model year, make, model, and engine family; actual sales amount including all incentives and all applicable state and federal taxes; purchase date; purchaser name, address, and contact information; purchaser or purchaser representative's signature indicating acceptance of vehicle delivery and incentive conditions.
- Copy of a completed California Department of Motor Vehicle registration form.

The applicant may have to carry the cost of the incentive amount at the time of sale until the incentive payment is received from the state.

For eligible vehicles in excess of 14,000 lbs GVW, the Energy Commission is aware that there may be a lengthy waiting period between the point of purchase and delivery of the vehicle to the purchaser. In this case, the Energy Commission may authorize payment of the incentive at the time of purchase on the basis of a purchase order. Once the vehicle is delivered, the applicant shall submit to the Energy Commission a copy of the complete California Department of Motor Vehicles registration form. However, should the purchaser not accept delivery of the eligible vehicle, the applicant will be responsible for the amount of the incentive paid by the state, but may request approval from the Incentive Manager to apply it to the sale of that vehicle to a different purchaser, or to the sale of another eligible vehicle in the same reservation category. See Terms and Conditions (Attachment E) for details.